

Rich County, Utah

Financial Statements

With Auditors' Report Thereon

For the Year Ended December 31, 2004

Ulrich & Associates, PC
Certified Public Accountants
Ogden, Utah

Rich County, Utah
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For the Year Ended December 31, 2004

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Ulrich & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Board of County Commissioners
Rich County, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Rich County, Utah as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Rich County, Utah's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Rich County, Utah as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the County has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as of December 31, 2004.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2005 on our consideration of Rich County, Utah's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Ulrich & Associates, P.C.

May 11, 2005

Rich County, Utah
Management's Discussion and Analysis
December 31, 2004

As management of Rich County, we offer readers of Rich County's financial statements this narrative overview and analysis of the financial activities of Rich County for the fiscal year ended December 31, 2004.

Financial Highlights

Total net assets of \$2,673,727 is made up of \$1,408,688 in capital assets less related debt of \$247,661, and other net assets of \$1,512,700.

In the enterprise fund, operating expenditures exceeded operating revenues by \$13,266, which includes a non-cash charge for depreciation of \$17,369. In addition to operating income, the enterprise funds collected interest in the amount of \$1,672.

Total long-term liabilities of the County's government funds were increased by \$135,370.

Reporting the County as a Whole

This discussion and analysis is intended to serve as an introduction to Rich County's basic financial statements. Rich County's basic financial statements are comprised of three components 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of Rich County's finances, in a manner similar to a private-sector business.

The statements of net assets presents information on all of Rich County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Rich County is improving or deteriorating. However, you will also need to consider other nonfinancial factors.

The statement of activities presents information showing how the County's net assets changed during the fiscal year reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of Rich County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements can be found on the pages directly following this report.

Rich County, Utah
Management's Discussion and Analysis
December 31, 2004

Reporting the County's Most Significant Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Rich County also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and proprietary funds.

Governmental funds - These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds in a reconciliation included with the fund financial statements.

For Rich County, the major governmental funds (as determined by generally accepted accounting principles) are the general fund, class B road fund, and the mosquito abatement fund.

Proprietary funds - Rich County maintains one type of proprietary fund, the sanitation fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Rich County uses enterprise funds to account for its sanitation department. In addition, Rich County reports information on Bear Lake Special Service District, a discretely presented component unit, which is also an enterprise fund. Complete financial statements for this entity may be obtained at the district offices.

As determined by generally accepted accounting principles, all enterprise funds meet the criteria of major fund classification.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Rich County, assets exceed liabilities by \$2,673,727.

Rich County, Utah
Management's Discussion and Analysis
December 31, 2004

The largest portion of Rich County's net assets (55.6%) is in non-capital assets, which reflects the County's financial stability. The capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding, is used to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. With more than 50% of the County's net assets capable of being liquidated to meet these obligations, the County has sufficient resources to more than meet its routine operational needs.

The significant portion of net assets that represent non-capital assets are comprised of various restricted and unrestricted amounts. The County holds restricted funds for use in developing tourism as a result of payments received over the years from State allocations of the transient room/restaurant taxes that are remitted by the State. Several of these allocations included unearned excesses, which the County has restricted. These excesses will be absorbed as the State withholds future amounts in an effort to recover the excess amounts paid. Other restricted funds include the funds available in the Mosquito Abatement special service district. The County is investigating the possibility that these funds could be used for other "special service district" purposes, possibly roads.

The County's unrestricted net assets are used primarily to fund cash flows during the year. As noted later in this report, property taxes represent the largest source of income for the County. These taxes are not collected until November, late in the County's fiscal year. Therefore, fund balances are used during the year until such time as the taxes are collected and held available for use in meeting expenditures of the subsequent year.

Funds held in the business-type activities are anticipated to be used in funding additional capital assets, initially to include a new sanitation truck and garbage cans.

Statement of Net Assets

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|----------------------------|--------------------------------|------------------|---------------------------------|----------------|
| | <u>2004</u> | <u>2003</u> | <u>2004</u> | <u>2003</u> |
| Assets: | | | | |
| Current and other assets | \$ 1,626,023 | 1,546,867 | 225,159 | 235,480 |
| Capital assets | 1,283,039 | 1,217,571 | 125,649 | 143,018 |
| Total assets | <u>2,909,062</u> | <u>2,764,438</u> | <u>350,808</u> | <u>378,498</u> |
| Liabilities: | | | | |
| Long-term debt outstanding | 242,661 | 107,290 | - | - |
| Other liabilities | 320,799 | 273,703 | 22,683 | 38,779 |
| Total liabilities | <u>563,460</u> | <u>380,993</u> | <u>22,683</u> | <u>38,779</u> |

Rich County, Utah
Management's Discussion and Analysis
December 31, 2004

| | | | | |
|---|---|------------------|---|----------------|
| Net Assets: | | | | |
| Invested in capital assets, net of debt | 1,040,378 | 1,110,281 | 125,649 | 143,018 |
| Restricted | 343,931 | 238,530 | - | - |
| Unrestricted | 961,293 | 1,034,634 | 202,476 | 196,701 |
| Total net assets | <u>\$ 2,345,602</u> | <u>2,383,445</u> | <u>328,125</u> | <u>339,719</u> |
| <u>Changes in Net Assets</u> | | | | |
| | Governmental Activities 2004 | | Business- Type Activities 2004 | |
| Revenues: | | | | |
| Program revenues: | | | | |
| Charges for services | \$ 370,828 | | 218,304 | |
| Operating grants & contributions | 1,214,278 | | - | |
| General revenues: | | | | |
| Property taxes | 520,071 | | - | |
| Other taxes | 237,909 | | - | |
| Interest income | 15,229 | | 1,672 | |
| Total revenues | <u>2,358,315</u> | | <u>219,976</u> | |
| Expenses: | | | | |
| General government | 815,079 | | - | |
| Legislative | 673,809 | | - | |
| Highways and streets | 448,236 | | - | |
| Parks and recreation | 16,316 | | - | |
| Buildings and grounds | 195,207 | | - | |
| Planning and zoning | 153,915 | | - | |
| Professional | 84,755 | | - | |
| Sanitation | - | | 231,570 | |
| Total expenses | <u>2,387,317</u> | | <u>231,570</u> | |
| Interest expense | 8,841 | | - | |
| Increase (decrease) in net assets | <u>(37,843)</u> | | <u>(11,594)</u> | |
| Net assets, beginning of year | <u>2,383,445</u> | | <u>339,719</u> | |
| Net assets, end of year | <u>\$ 2,345,602</u> | | <u>328,125</u> | |

Rich County, Utah
Management's Discussion and Analysis
December 31, 2004

Financial Analysis of Government's Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements.

As of December 31, 2004, the County's governmental fund (General) reported a fund balance of \$891,149. This represents an increase of \$37,064 (4.3%) over last year's ending balance.

The General Fund is the chief operating fund of the County. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund.

Taxes continue to be the largest source of revenue in the General Fund and represent 44.3% of total general fund revenues. The largest element of taxes is property taxes as it has been for the last several years. It represents 68.6% of total tax revenues and represents 30.4% of total general fund revenues. This compares with 32.4% in the prior fiscal year ended December 31, 2003.

As stated earlier, the County maintains one enterprise fund to account for the business-type activities of the County. The separate fund statements included in this report, provides the same information for business-type activities as is provided in the government-wide financial statements. However, the difference is that the fund statements provide much more detail.

Significant changes in the governmental funds include an increase in capital expenditures in the Class B road fund due to the purchase of a road grader for \$187,150. The grader was financed with a capital lease obligation.

Significant changes in business-type activities include an increase in the wages paid in the Sanitation fund, due to an additional employee and a restructuring of another employees responsibilities to full time sanitation. The result was a 40.4% increase in sanitation wages over the prior year.

General Fund Budgetary Highlights

During the fiscal year the general fund original budget was amended from an expenditure total of \$1,740,716 to a final budget of \$1,824,896 (5.5%). These increases were due to the timing of grants and equipment purchases.

Rich County, Utah
Management's Discussion and Analysis
December 31, 2004

Capital Asset and Debt Administration

Capital Assets

Rich County's investment in capital assets for its governmental and business-type activities as of December 31, 2004, amounts to \$260,382 in general government equipment purchases, \$7,390 in building improvements and \$7,255 of general improvements. The total decrease in the County's investment in fixed assets for the current year was 3.54% (due to depreciation).

Major capital asset events during the current fiscal year included the following:

\$187,150 for a grader in the road department.
 \$22,676 for a new sheriff vehicle
 \$29,122 for emergency management equipment
 \$7,255 for park improvements
 \$7,390 for new doors on County building
 \$21,434 for various other equipment

Rich County's Capital Assets

| | Governmental Activities 2004 | Business- Type Activities 2004 |
|--------------------------------|------------------------------------|---|
| Land | \$ 16,750 | - |
| Buildings | 1,343,714 | - |
| Improvements | 142,652 | - |
| Machinery and equipment | 2,238,476 | 380,072 |
| Less: Accumulated depreciation | <u>(2,458,553)</u> | <u>(254,423)</u> |
| Total | <u>\$ 1,283,039</u> | <u>125,649</u> |

Additional information on the County's capital assets can be found in the footnotes of this report.

Rich County, Utah
Management's Discussion and Analysis
December 31, 2004

Long-term Debt

equipment.

Rich County's Long-Term Debt

| | Governmental Activities 2004 | Business- Type Activities 2004 |
|------------------------|------------------------------------|---|
| Capital leases payable | \$ 242,660 | - |
| | <u>\$ 242,660</u> | <u>-</u> |

The County's total debt increased by \$135,370 during the fiscal year.

Additional information on the outstanding debt obligations of the County can be found in the footnotes to this report.

BASIC FINANCIAL STATEMENTS

Rich County, Utah
Statement of Net Assets
December 31, 2004

| | Primary Government | | | Component Units | |
|---|-------------------------|--------------------------|------------------|------------------|----------------|
| | Governmental Activities | Business-type Activities | Total | Bear Lake | Other Nonmajor |
| <u>Assets</u> | | | | | |
| Cash and cash equivalents | \$ 1,134,610 | 118,920 | 1,253,530 | 565,268 | 115,888 |
| Accounts receivable - net | 204,383 | 106,239 | 310,622 | 93,375 | - |
| Prepaid expenses | 18,540 | - | 18,540 | - | - |
| Due from other funds | 268,490 | - | 268,490 | - | - |
| Capital assets (net of accumulated depreciation): | | | | | |
| Land | 16,750 | - | 16,750 | 159,110 | - |
| Buildings | 597,636 | - | 597,636 | 53,683 | 81,107 |
| Improvements | 65,326 | - | 65,326 | 3,555,228 | - |
| Machinery and equipment | 603,327 | 125,649 | 728,976 | 58,565 | 207,581 |
| Total assets | <u>2,909,062</u> | <u>350,808</u> | <u>3,259,870</u> | <u>4,485,229</u> | <u>404,576</u> |
| <u>Liabilities</u> | | | | | |
| Accounts payable and accrued liabilities | 153,449 | 2,707 | 156,156 | 9,859 | 6,989 |
| Due to other funds | 63,770 | - | 63,770 | - | - |
| Restaurant tax payable | 61,970 | - | 61,970 | - | - |
| Accrued landfill closure costs | - | 5,000 | 5,000 | - | - |
| Long-term debt - current | 45,334 | - | 45,334 | 168,251 | 22,039 |
| Long-term debt - noncurrent | 197,327 | - | 197,327 | 1,926,070 | 53,893 |
| Compensated absences | 41,610 | 14,976 | 56,586 | - | - |
| Total liabilities | <u>563,460</u> | <u>22,683</u> | <u>586,143</u> | <u>2,104,180</u> | <u>82,921</u> |
| <u>Net Assets</u> | | | | | |
| Invested in capital assets, net of related debt | 1,040,378 | 125,649 | 1,166,027 | 1,732,265 | 267,903 |
| Restricted for: | | | | | |
| Debt | - | - | - | 126,167 | - |
| Class B road | 68,230 | - | 68,230 | - | - |
| Liquor law tax | 16,995 | - | 16,995 | - | - |
| Transient room/restaurant tax | 258,706 | - | 258,706 | - | - |
| Unrestricted | 961,293 | 202,476 | 1,163,769 | 522,617 | 53,752 |
| Total net assets | <u>\$ 2,345,602</u> | <u>328,125</u> | <u>2,673,727</u> | <u>2,381,049</u> | <u>321,655</u> |

The notes to the financial statements are an integral part of this statement.

Rich County, Utah
Statement of Activities
For the Year Ended December 31, 2004

| Function/Programs | Net (Expense) Revenues & Changes in Net Assets | | | | | |
|------------------------------------|--|----------------------|------------------------------------|-------------------------|--------------------------|-----------------|
| | Program Revenues | | | Primary Government | | |
| | Expenses | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-type Activities | Component Units |
| Primary government: | | | | | | |
| Governmental activities: | | | | | | |
| General government | \$ 815,079 | 274,138 | 423,619 | (117,322) | - | (117,322) |
| Public safety | 673,809 | 66,327 | 33,409 | (574,073) | - | (574,073) |
| Highways and streets | 457,077 | - | 397,186 | (59,891) | - | (59,891) |
| Cultural and recreation | 16,316 | 19,467 | 1,350 | 4,501 | - | 4,501 |
| Non-departmental | 195,207 | 10,108 | 133,852 | (51,247) | - | (51,247) |
| Public health | 153,915 | - | 163,544 | 9,629 | - | 9,629 |
| Senior citizen programs | 84,755 | 788 | 61,318 | (22,649) | - | (22,649) |
| Total governmental activities | 2,396,158 | 370,828 | 1,214,278 | (811,052) | - | (811,052) |
| Business-type activities: | | | | | | |
| Sanitation fund | 231,570 | 218,304 | - | - | (13,266) | (13,266) |
| Total business-type activities | 231,570 | 218,304 | - | - | (13,266) | (13,266) |
| Total primary government | 2,627,728 | 589,132 | 1,214,278 | (811,052) | (13,266) | (824,318) |
| Component units: | | | | | | |
| Bear Lake Special Service District | 419,470 | 369,107 | - | - | - | (50,363) |
| Other nonmajor component units | 188,877 | 9,386 | 150,224 | - | - | (29,267) |
| Total component units: | 608,347 | 378,493 | 150,224 | - | - | (50,363) |
| General revenues: | | | | | | |
| Property taxes | | | | 520,071 | - | 520,071 |
| General sales and use tax | | | | 66,160 | - | 66,160 |
| Fee in lieu | | | | 171,749 | - | 171,749 |
| Impact fees | | | | - | - | 78,499 |
| Net interest earnings (expense) | | | | 15,229 | 1,672 | 16,901 |
| Total general revenues | | | | 773,209 | 1,672 | 774,881 |
| Change in net assets | | | | (37,843) | (11,594) | (49,437) |
| Net assets - beginning | | | | 2,383,445 | 339,719 | 2,723,164 |
| Net assets - ending | | | | \$ 2,345,602 | 328,125 | 2,673,727 |

The notes to the financial statements are an integral part of this statement.

Rich County, Utah
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2004

| | General Fund | Special Revenue Class B Roads | Mosquito Abatement | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|-------------------------------------|-----------------------|--------------------------------|--------------------------------|
| <u>Assets</u> | | | | | |
| Cash and cash equivalents | \$ 61,062 | - | 346,407 | 44,038 | 451,507 |
| Equity in investment pool | 683,103 | - | - | - | 683,103 |
| Receivables (net): | | | | | |
| Accounts | 110,906 | 93,477 | - | - | 204,383 |
| Prepaid expenses | 18,540 | - | - | - | 18,540 |
| Due from other funds | 244,433 | - | 24,057 | - | 268,490 |
| Total assets | <u>1,118,044</u> | <u>93,477</u> | <u>370,464</u> | <u>44,038</u> | <u>1,626,023</u> |
| <u>Liabilities and Fund Balances</u> | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 102,553 | 8,772 | - | - | 111,325 |
| Accrued liabilities | 38,315 | - | - | - | 38,315 |
| Restaurant tax payable | 61,970 | - | - | - | 61,970 |
| Due to other funds | 24,057 | 16,475 | - | 23,238 | 63,770 |
| Total liabilities | <u>226,895</u> | <u>25,247</u> | <u>-</u> | <u>23,238</u> | <u>275,380</u> |
| Fund Balances: | | | | | |
| Reserved for: | | | | | |
| Roads | - | 68,230 | - | - | 68,230 |
| Transient room/restaurant tax | 258,706 | - | - | - | 258,706 |
| Liquor law enforcement | 16,995 | - | - | - | 16,995 |
| Unreserved, reported in: | | | | | |
| General Fund: | | | | | |
| Undesignated | 615,448 | - | - | - | 615,448 |
| Special Revenue Fund | - | - | 370,464 | 20,800 | 391,264 |
| Total fund balances | <u>891,149</u> | <u>68,230</u> | <u>370,464</u> | <u>20,800</u> | <u>1,350,643</u> |
| Total liabilities and fund balances | <u>\$1,118,044</u> | <u>93,477</u> | <u>370,464</u> | <u>44,038</u> | <u>1,626,023</u> |

The notes to the financial statements are an integral part of this statement.

Rich County, Utah
Balance Sheet Reconciliation to Statement of Net Assets
December 31, 2004

Amounts reported for governmental activities in the statement of net assets are different because:

| | |
|---|----------------------------|
| Total fund balances - governmental fund types: | \$ 1,350,643 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 1,283,039 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | <u>(288,080)</u> |
| Net assets of government activities | <u><u>\$ 2,345,602</u></u> |

The notes to the financial statements are an integral part of this statement.

Rich County, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

| | General Fund | Special Revenue Class B Roads | Mosquito Abatement | Other Governmental Funds | Total Governmental Funds |
|---|-----------------|-------------------------------------|-----------------------|--------------------------------|--------------------------------|
| <u>Revenues</u> | | | | | |
| Taxes | \$ 757,980 | - | - | - | 757,980 |
| Licenses and permits | 75,660 | - | - | - | 75,660 |
| Intergovernmental | 423,619 | 397,186 | 163,544 | 50,068 | 1,034,417 |
| Charges for services | 350,573 | - | - | 20,255 | 370,828 |
| Fines and forfeitures | 58,192 | - | - | - | 58,192 |
| Miscellaneous revenue | 33,409 | - | - | 12,600 | 46,009 |
| Interest | 11,441 | - | 3,737 | 51 | 15,229 |
| Total revenues | 1,710,874 | 397,186 | 167,281 | 82,974 | 2,358,315 |
| <u>Expenditures</u> | | | | | |
| General government | 764,153 | - | - | - | 764,153 |
| Public safety | 650,904 | - | - | - | 650,904 |
| Highways and streets | - | 597,779 | - | - | 597,779 |
| Cultural and recreation | - | - | - | 21,273 | 21,273 |
| Mosquito Abatement | - | - | 104,990 | - | 104,990 |
| Non-departmental | 195,207 | - | - | - | 195,207 |
| Public health | 48,925 | - | - | - | 48,925 |
| Senior citizen programs | 14,621 | - | - | 70,134 | 84,755 |
| Total expenditures | 1,673,810 | 597,779 | 104,990 | 91,407 | 2,467,986 |
| Excess revenues over (under) expenditures | 37,064 | (200,593) | 62,291 | (8,433) | (109,671) |
| <u>Other Financing Sources</u> | | | | | |
| Proceeds from capital lease | - | 187,150 | - | - | 187,150 |
| Total other financing sources | - | 187,150 | - | - | 187,150 |
| Excess of revenues and other sources over (under) expenditures and other uses | 37,064 | (13,443) | 62,291 | (8,433) | 77,479 |
| Fund balances - beginning of year | 854,085 | 81,673 | 308,173 | 29,233 | 1,273,164 |
| Fund balances - end of year | \$ 891,149 | 68,230 | 370,464 | 20,800 | 1,350,643 |

The notes to the financial statements are an integral part of this statement.

Rich County, Utah
Statement of Changes Reconciliation to Statement of Activities
For the Year Ended December 31, 2004

Amounts reported for governmental activities in the statement of activities are different because:

| | |
|---|-----------|
| Net changes in fund balances - total governmental funds | \$ 77,479 |
|---|-----------|

| | |
|--|--------|
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period | 65,468 |
|--|--------|

| | |
|--|------------------|
| The issuance of long-term debt (e.g. bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. | <u>(180,790)</u> |
|--|------------------|

| | |
|---|---------------------------|
| Change in net assets of governmental activities | <u><u>\$ (37,843)</u></u> |
|---|---------------------------|

The notes to the financial statements are an integral part of this statement.

Rich County, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|------------------------------------|-------------------------|----------------|----------------|-----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget -</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| <u>Revenues</u> | | | | |
| <u>Taxes</u> | | | | |
| General property taxes | \$ 480,730 | 480,730 | 520,071 | 39,341 |
| General sales and use taxes | 50,000 | 50,000 | 66,160 | 16,160 |
| Transient room taxes | 29,500 | 29,500 | 58,044 | 28,544 |
| Restaurant tax | 13,000 | 13,000 | 39,605 | 26,605 |
| Option sales tax | 65,000 | 65,000 | 74,100 | 9,100 |
| | <u>638,230</u> | <u>638,230</u> | <u>757,980</u> | <u>119,750</u> |
| <u>Licenses and permits</u> | | | | |
| Building permits | 52,000 | 52,000 | 75,660 | 23,660 |
| <u>Intergovernmental</u> | | | | |
| Forest service fees | 9,000 | 9,000 | 11,096 | 2,096 |
| Federal payments in lieu of taxes | 205,000 | 205,000 | 212,861 | 7,861 |
| Liquor control tax | 2,500 | 2,500 | 10,295 | 7,795 |
| School bookmobile | 20,500 | 20,500 | 14,726 | (5,774) |
| State PILT | 30,000 | 30,000 | 38,004 | 8,004 |
| Ambulance grant | 5,000 | 5,000 | - | (5,000) |
| Wildland suppression | 30,000 | 30,000 | 32,917 | 2,917 |
| FEMA | 1,200 | 1,200 | - | (1,200) |
| RS 2477 | 10,000 | 10,000 | 5,000 | (5,000) |
| GIS | 10,000 | 10,000 | - | (10,000) |
| CRM/BLM | - | - | 52,526 | 52,526 |
| Homeland security | - | - | 46,194 | 46,194 |
| | <u>323,200</u> | <u>323,200</u> | <u>423,619</u> | <u>100,419</u> |
| <u>Charges for services</u> | | | | |
| General government | 64,500 | 64,500 | 57,144 | (7,356) |
| Public safety | 47,000 | 47,000 | 66,327 | 19,327 |
| Weed control | 21,600 | 21,600 | 10,108 | (11,492) |
| Assessing and collecting | 214,000 | 214,000 | 216,994 | 2,994 |
| | <u>347,100</u> | <u>347,100</u> | <u>350,573</u> | <u>3,473</u> |

Rich County, Utah

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|--------------------------------|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u> |
| <u>Revenues</u> | | | | |
| <u>Fines and forfeitures</u> | 30,000 | 30,000 | 58,192 | 28,192 |
| <u>Interest on investments</u> | 15,000 | 15,000 | 11,441 | (3,559) |
| <u>Other</u> | | | | |
| District court agreement | 22,000 | 22,000 | 25,886 | 3,886 |
| Miscellaneous | 29,000 | 29,000 | 7,523 | (21,477) |
| | 51,000 | 51,000 | 33,409 | (17,591) |
| Total revenues | \$1,456,530 | 1,456,530 | 1,710,874 | 254,344 |

The notes to the financial statements are an integral part of this statement.

Rich County, Utah

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|----------------------------------|-------------------------|--------------|----------------|-----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget -</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| <u>Expenditures</u> | | | | |
| <u>General government</u> | | | | |
| Administrative - Commissioners | | | | |
| Salaries and wages | \$ 34,500 | 34,500 | 34,840 | (340) |
| Employee benefits | 31,000 | 31,000 | 31,961 | (961) |
| Office expense and supplies | - | - | 300 | (300) |
| Telephone | 1,625 | 1,625 | - | 1,625 |
| Travel | 8,060 | 10,860 | 10,840 | 20 |
| Total administrative | 75,185 | 77,985 | 77,941 | 44 |
| District court | | | | |
| Salaries and wages | 8,540 | 8,540 | 8,200 | 340 |
| Employee benefits | 2,000 | 2,000 | 2,055 | (55) |
| Equipment and maintenance | 760 | 760 | 438 | 322 |
| Equipment purchase | 1,500 | 1,500 | 1,678 | (178) |
| Office expense and supplies | 2,300 | 2,300 | 833 | 1,467 |
| Telephone | 900 | 900 | 900 | - |
| Travel | 300 | 300 | 77 | 223 |
| Total district court | 16,300 | 16,300 | 14,181 | 2,119 |
| Public defender | | | | |
| Professional service | 12,000 | 12,000 | 11,249 | 751 |
| Justice of the peace court | | | | |
| Salaries and wages | 31,000 | 31,000 | 26,067 | 4,933 |
| Employee benefits | 4,000 | 4,000 | 2,670 | 1,330 |
| Equipment and maintenance | 800 | 800 | 66 | 734 |
| Equipment purchase | - | - | 1,678 | (1,678) |
| Jury and witness fess | 1,000 | 1,000 | 93 | 907 |
| Office expense and supplies | 1,000 | 1,000 | 563 | 437 |
| Telephone | 1,000 | 1,000 | 688 | 312 |
| Travel | 1,500 | 1,500 | 1,440 | 60 |
| Total justice of the peace court | 40,300 | 40,300 | 33,265 | 7,035 |

Rich County, Utah

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|-----------------------------|-------------------------|---------------|----------------|-----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget -</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| <u>Expenditures</u> | | | | |
| Computer | | | | |
| Equipment and maintenance | 4,550 | 2,050 | 2,076 | (26) |
| Equipment purchase | 4,710 | 1,910 | 8,328 | (6,418) |
| Office expense and supplies | 1,200 | 1,200 | 51 | 1,149 |
| Technical services | 24,000 | 24,000 | 15,215 | 8,785 |
| Telephone | 540 | 140 | - | 140 |
| Total computer | <u>35,000</u> | <u>29,300</u> | <u>25,670</u> | <u>3,630</u> |
| Clerk - auditor | | | | |
| Salaries and wages | 38,200 | 38,200 | 38,312 | (112) |
| Employee benefits | 18,500 | 18,500 | 18,946 | (446) |
| Disclosure notice | 4,000 | 4,000 | 2,601 | 1,399 |
| Equipment and maintenance | 600 | 600 | 619 | (19) |
| Equipment purchase | 1,000 | 1,000 | - | 1,000 |
| Office expense and supplies | 2,500 | 2,500 | 2,098 | 402 |
| Telephone | 1,400 | 1,400 | 1,270 | 130 |
| Travel | 1,200 | 1,200 | 999 | 201 |
| Total clerk - auditor | <u>67,400</u> | <u>67,400</u> | <u>64,845</u> | <u>2,555</u> |
| Treasurer | | | | |
| Salaries and wages | 35,200 | 35,200 | 32,597 | 2,603 |
| Employee benefits | 16,658 | 16,658 | 15,537 | 1,121 |
| Delinquent tax notices | 1,100 | 1,100 | - | 1,100 |
| Equipment and maintenance | 300 | 300 | - | 300 |
| Equipment purchase | 400 | 400 | 170 | 230 |
| Office expense and supplies | 5,200 | 5,200 | 5,068 | 132 |
| Telephone | 560 | 560 | 560 | - |
| Travel | 2,000 | 2,000 | 1,455 | 545 |
| Total treasurer | <u>61,418</u> | <u>61,418</u> | <u>55,387</u> | <u>6,031</u> |

Rich County, Utah

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|-----------------------------|-------------------------|--------------|----------------|-----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget -</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| <u>Expenditures</u> | | | | |
| Recorder | | | | |
| Salaries and wages | 41,500 | 41,500 | 41,126 | 374 |
| Employee benefits | 20,000 | 20,000 | 19,751 | 249 |
| Equipment and maintenance | 1,650 | 1,650 | 2,544 | (894) |
| Equipment purchase | 2,000 | 2,000 | 1,273 | 727 |
| Office expense and supplies | 800 | 800 | 636 | 164 |
| Telephone | 1,400 | 1,400 | 1,463 | (63) |
| Travel | 3,500 | 3,500 | 3,796 | (296) |
| Total recorder | 70,850 | 70,850 | 70,589 | 261 |
| Attorney | | | | |
| Salaries and wages | 26,500 | 26,500 | 25,412 | 1,088 |
| Employee benefits | 1,950 | 1,950 | 1,944 | 6 |
| Deputy | 6,520 | 9,020 | 9,287 | (267) |
| Office expense and supplies | 1,200 | 1,200 | 1,965 | (765) |
| Sundry | 100 | 100 | - | 100 |
| Telephone | 900 | 900 | 702 | 198 |
| Travel | 900 | 900 | 1,239 | (339) |
| Total attorney | 38,070 | 40,570 | 40,549 | 21 |
| Assessor | | | | |
| Salaries and wages | 48,600 | 49,000 | 50,143 | (1,143) |
| Employee benefits | 19,300 | 19,300 | 20,214 | (914) |
| Dues and fees | 1,955 | 1,955 | 1,365 | 590 |
| Equipment and maintenance | 3,200 | 3,200 | - | 3,200 |
| Equipment purchase | 5,000 | 5,000 | 5,081 | (81) |
| Office expense and supplies | - | - | 2,683 | (2,683) |
| Technical services | 3,000 | 3,000 | 3,291 | (291) |
| Telephone | 1,500 | 1,500 | 966 | 534 |
| Travel | 3,100 | 3,100 | 2,267 | 833 |
| Total assessor | 85,655 | 86,055 | 86,010 | 45 |

Rich County, Utah

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|---|-------------------------|--------------|----------------|-----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget -</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| <u>Expenditures</u> | | | | |
| Non-departmental | | | | |
| Insurance | 52,138 | 52,138 | 47,235 | 4,903 |
| Miscellaneous | 88,376 | 88,376 | 66,811 | 21,565 |
| Restaurant tax | - | - | - | - |
| Room tax | 80,063 | 80,063 | 68,256 | 11,807 |
| Bear Lake convention and visitors bureau | 19,000 | 19,000 | 19,000 | - |
| Total non-departmental | 239,577 | 239,577 | 201,302 | 38,275 |
| Buildings | | | | |
| Salaries and wages | 13,900 | 13,900 | 13,973 | (73) |
| Employee benefits | 1,080 | 1,080 | 1,069 | 11 |
| Equipment and maintenance | 7,500 | 12,300 | 11,897 | 403 |
| Equipment purchase | 7,250 | 7,250 | 7,390 | (140) |
| Utilities | 31,000 | 36,000 | 36,001 | (1) |
| Total buildings | 60,730 | 70,530 | 70,330 | 200 |
| Elections | | | | |
| Supplies | 4,800 | 4,800 | 4,736 | 64 |
| Judges and registration agents | 4,200 | 4,200 | 3,329 | 871 |
| Total elections | 9,000 | 9,000 | 8,065 | 935 |
| Planning and zoning | 2,000 | 2,000 | 1,070 | 930 |
| Engineering | 12,000 | 5,000 | 3,700 | 1,300 |
| Total general government | 825,485 | 828,285 | 764,153 | 64,132 |

Rich County, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|-----------------------------|-------------------------|----------------|----------------|-----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget -</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| <u>Expenditures</u> | | | | |
| <u>Public safety</u> | | | | |
| Sheriff department | | | | |
| Salaries and wages | 125,000 | 125,000 | 126,201 | (1,201) |
| Employee benefits | 63,000 | 63,000 | 58,092 | 4,908 |
| Education and training | 2,000 | 2,000 | 1,965 | 35 |
| Equipment and maintenance | 6,500 | 13,500 | 13,466 | 34 |
| Equipment purchase | 28,000 | 28,000 | 23,621 | 4,379 |
| Gasoline | 8,000 | 14,000 | 16,270 | (2,270) |
| Office expense and supplies | 6,100 | 6,100 | 8,718 | (2,618) |
| Telephone | 9,000 | 9,000 | 8,794 | 206 |
| Travel | 1,500 | 1,500 | 1,684 | (184) |
| Total sheriff department | <u>249,100</u> | <u>262,100</u> | <u>258,811</u> | <u>3,289</u> |
| Forest | | | | |
| Salaries and wages | <u>4,000</u> | <u>4,000</u> | <u>3,337</u> | <u>663</u> |
| Wildland fire | | | | |
| Equipment and maintenance | 54,964 | 54,964 | 40,084 | 14,880 |
| Education and training | <u>750</u> | <u>750</u> | <u>-</u> | <u>750</u> |
| Total wildland fire | <u>55,714</u> | <u>55,714</u> | <u>40,084</u> | <u>15,630</u> |
| Liquor law enforcement | | | | |
| Salaries and wages | <u>2,500</u> | <u>2,500</u> | <u>2,407</u> | <u>93</u> |

Rich County, Utah

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2004

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|-----------------------------|------------------|---------|-------------------|---|
| | Original | Final | Actual Amounts | |
| <u>Expenditures</u> | | | | |
| Jail | | | | |
| Salaries and wages | 142,000 | 142,500 | 145,658 | (3,158) |
| Employee benefits | 79,000 | 79,000 | 82,349 | (3,349) |
| Education and training | 2,000 | 2,000 | 797 | 1,203 |
| Equipment and maintenance | 1,500 | 1,500 | 927 | 573 |
| Equipment purchase | 6,000 | 6,000 | 908 | 5,092 |
| Food | 6,000 | 6,000 | 7,520 | (1,520) |
| Office expense and supplies | 3,500 | 3,500 | 1,878 | 1,622 |
| Travel | 800 | 800 | 1,425 | (625) |
| Uniforms | 1,200 | 1,200 | 1,126 | 74 |
| Total jail | 242,000 | 242,500 | 242,588 | (88) |
| Building inspection | | | | |
| Office expense and supply | - | - | 569 | (569) |
| Technical services | 32,000 | 37,300 | 36,668 | 632 |
| Total building inspection | 32,000 | 37,300 | 37,237 | 63 |
| Emergency management | | | | |
| Salaries and wages | 7,500 | 7,500 | 600 | 6,900 |
| Employee benefits | 600 | 600 | - | 600 |
| Equipment and maintenance | - | 27,427 | 4,689 | 22,738 |
| Equipment purchase | - | - | 32,073 | (32,073) |
| Travel | 1,900 | 1,900 | 474 | 1,426 |
| Total emergency management | 10,000 | 37,427 | 37,836 | (409) |
| Ambulance service | | | | |
| Education and training | 8,000 | 8,000 | 5,785 | 2,215 |
| Equipment and maintenance | 13,500 | 13,500 | 13,537 | (37) |
| Equipment purchase | 3,500 | 3,000 | - | 3,000 |
| Gas | 2,000 | 2,000 | 1,837 | 163 |
| Travel | 4,000 | 4,000 | 5,025 | (1,025) |
| Total ambulance service | 31,000 | 30,500 | 26,184 | 4,316 |

Rich County, Utah

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|--------------------------------|-------------------------|--------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u> |
| <u>Expenditures</u> | | | | |
| Search and rescue | | | | |
| Equipment and maintenance | 7,050 | 7,050 | 2,420 | 4,630 |
| Total public safety | 633,364 | 679,091 | 650,904 | 28,187 |
| <u>Non-Departmental</u> | | | | |
| Roadway | | | | |
| Miscellaneous | 30,000 | 30,000 | 1,526 | 28,474 |
| Weed control | | | | |
| Salaries and wages | 11,200 | 11,200 | 13,770 | (2,570) |
| Employee benefits | 2,580 | 2,580 | 1,053 | 1,527 |
| Equipment and maintenance | 35,400 | 29,400 | 17,793 | 11,607 |
| Gas | 1,700 | 1,700 | 1,385 | 315 |
| Telephone | 1,000 | 1,000 | 935 | 65 |
| Travel | - | - | 135 | (135) |
| Total weed control | 51,880 | 45,880 | 35,071 | 10,809 |
| Television | | | | |
| Equipment and maintenance | 4,900 | 5,000 | 5,292 | (292) |
| Technical services | 19,500 | 19,500 | 19,200 | 300 |
| Total television | 24,400 | 24,500 | 24,492 | 8 |
| Libraries | | | | |
| Miscellaneous | 45,000 | 45,000 | 35,318 | 9,682 |
| GIS/RS 2477 | | | | |
| Salaries and wages | 13,500 | 13,500 | 14,439 | (939) |
| Employee benefits | 3,050 | 3,050 | 3,641 | (591) |
| Education and training | 3,000 | 3,000 | 3,000 | - |
| Equipment and maintenance | 16,300 | 16,300 | 1,517 | 14,783 |
| Travel | 1,200 | 1,200 | 720 | 480 |
| Total GIS/RS 2477 | 37,050 | 37,050 | 23,317 | 13,733 |

Rich County, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|--|-------------------------|------------------|------------------|-----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget -</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| <u>Expenditures</u> | | | | |
| Agriculture extension service | | | | |
| Salaries and wages | 6,762 | 6,762 | 11,608 | (4,846) |
| Employee benefits | 2,700 | 2,700 | - | 2,700 |
| Equipment and maintenance | 5,200 | 5,200 | 638 | 4,562 |
| Equipment purchase | 500 | 500 | - | 500 |
| Gas | 600 | 600 | 957 | (357) |
| Office expense and supplies | 2,450 | 2,450 | 1,522 | 928 |
| Telephone | 1,700 | 1,700 | 1,325 | 375 |
| Travel | 2,800 | 2,800 | 2,923 | (123) |
| Total agriculture extension service | <u>22,712</u> | <u>22,712</u> | <u>18,973</u> | <u>3,739</u> |
| Exhibits rodeo/fair | <u>9,000</u> | <u>9,000</u> | <u>4,164</u> | <u>4,836</u> |
| CRM | <u>-</u> | <u>36,153</u> | <u>52,346</u> | <u>(16,193)</u> |
| Total non-departmental | <u>220,042</u> | <u>250,295</u> | <u>195,207</u> | <u>55,088</u> |
| <u>Public health</u> | <u>46,925</u> | <u>46,925</u> | <u>48,925</u> | <u>(2,000)</u> |
| <u>Senior citizen program</u> | <u>14,900</u> | <u>20,300</u> | <u>14,621</u> | <u>5,679</u> |
| Total expenditures | <u>1,740,716</u> | <u>1,824,896</u> | <u>1,673,810</u> | <u>151,086</u> |
| Excess revenues over (under) expenditures | <u>\$ (284,186)</u> | <u>(368,366)</u> | <u>37,064</u> | <u>405,430</u> |

The notes to the financial statements are an integral part of this statement.

Rich County, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual-Class B Roads
For the Year Ended December 31, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|--|-------------------------|--------------|----------------|-----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget -</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| <u>Revenues</u> | | | | |
| Intergovernmental | \$ 390,000 | 390,000 | 397,186 | 7,186 |
| Total revenues | 390,000 | 390,000 | 397,186 | 7,186 |
| <u>Expenditures</u> | | | | |
| Class B Roads | 507,400 | 486,800 | 597,779 | (110,979) |
| Total expenditures | 507,400 | 486,800 | 597,779 | (110,979) |
| Excess revenues over (under) | | | | |
| expenditures | (117,400) | (96,800) | (200,593) | (103,793) |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Proceeds from capital lease | - | - | 187,150 | 187,150 |
| Total other financing sources and (uses) | - | - | 187,150 | 187,150 |
| Excess of revenues and other sources | | | | |
| over (under) expenditures and other uses | (117,400) | (96,800) | (13,443) | 83,357 |
| Fund balances - beginning of year | 81,673 | 81,673 | 81,673 | - |
| Fund balances - end of year | \$ (35,727) | (15,127) | 68,230 | 83,357 |

The notes to the financial statements are an integral part of this statement.

Rich County, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual-Mosquito Abatement
For the Year Ended December 31, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|-----------------------------------|-------------------------|--------------|----------------|-----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget -</u> |
| | | | | <u>Positive</u> |
| | | | | <u>(Negative)</u> |
| <u>Revenues</u> | | | | |
| Intergovernmental | \$ 128,000 | 128,000 | 163,544 | 35,544 |
| Interest | - | - | 3,737 | 3,737 |
| Total revenues | 128,000 | 128,000 | 167,281 | 39,281 |
| <u>Expenditures</u> | | | | |
| Mosquito spraying | 65,000 | 65,000 | 104,990 | (39,990) |
| Miscellaneous | 63,000 | 63,000 | - | 63,000 |
| Total expenditures | 128,000 | 128,000 | 104,990 | 23,010 |
| Excess revenues over (under) | | | | |
| expenditures | - | - | 62,291 | 62,291 |
| Fund balances - beginning of year | 308,173 | 308,173 | 308,173 | - |
| Fund balances - end of year | \$ 308,173 | 308,173 | 370,464 | 62,291 |

The notes to the financial statements are an integral part of this statement.

Rich County, Utah
Statement of Net Assets
Proprietary Funds
December 31, 2004

| | Business-Type Activities - Enterprise |
|---|--|
| | Primary Government |
| | Sanitation Fund |
| <hr/> | |
| <u>Assets</u> | |
| Current assets: | |
| Cash and cash equivalents | \$ 93,920 |
| Accounts receivable - net | 19,546 |
| Unbilled receivables | 86,693 |
| Due from other funds | - |
| | <hr/> |
| Total current assets | 200,159 |
| | <hr/> |
| Noncurrent assets: | |
| Restricted cash | 25,000 |
| Land, equipment, buildings and improvements | 380,072 |
| Less: Accumulated depreciation | (254,423) |
| | <hr/> |
| Total noncurrent assets | 150,649 |
| | <hr/> |
| Total assets | 350,808 |
| | <hr/> |
| <u>Liabilities</u> | |
| Current liabilities: | |
| Accounts payable and accrued liabilities | 2,707 |
| Compensated absences | 14,976 |
| Accrued landfill closure costs and postclosure care costs | 5,000 |
| | <hr/> |
| Total current liabilities | 22,683 |
| | <hr/> |
| Total liabilities | 22,683 |
| | <hr/> |
| <u>Net Assets</u> | |
| Investment in capital assets, net of related debt | 125,649 |
| Unrestricted: | |
| Designated - landfill closure costs | 20,000 |
| Undesignated | 182,476 |
| | <hr/> |
| Total net assets | 328,125 |
| | <hr/> |
| Total liabilities and net assets | \$ 350,808 |
| | <hr/> |

The notes to the financial statements are an integral part of this statement.

Rich County, Utah
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2004

| | Business-Type Activities |
|--|--------------------------|
| | Enterprise Funds |
| | Primary Government |
| | Sanitation Fund |
| <u>Operating revenues</u> | |
| Charges for services | \$ 218,304 |
| Miscellaneous | - |
| Total operating revenues | <u>218,304</u> |
| <u>Operating expenses</u> | |
| Salaries and wages | 111,921 |
| Employee benefits | 52,889 |
| Gasoline | 15,412 |
| Maintenance and supplies | 30,064 |
| Other | 3,915 |
| Depreciation and amortization | <u>17,369</u> |
| Total operating expenses | <u>231,570</u> |
| Operating income | <u>(13,266)</u> |
| <u>Nonoperating revenues (expenses)</u> | |
| Interest revenue | <u>1,672</u> |
| Total nonoperating revenues (expenses) | <u>1,672</u> |
| Change in net assets | (11,594) |
| Total net assets - beginning | <u>339,719</u> |
| Total net assets - ending | <u><u>\$ 328,125</u></u> |

The notes to the financial statements are an integral part of this statement.

Rich County, Utah
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2004

| | Business-Type Activities |
|---|--------------------------|
| | Enterprise Funds |
| | Primary Government |
| | Sanitation Fund |
| <u>Cash flows from operating activities:</u> | |
| Receipts from customers | \$ 226,608 |
| Payments to suppliers | (124,463) |
| Payments to employees | (111,921) |
| Net cash provided (used) by operating activities | (9,776) |
| <u>Cash flows from investing activities:</u> | |
| Interest and dividends received | 1,672 |
| Net cash provided (used) by investing activities | 1,672 |
| Net increase (decrease) in cash and cash equivalents | (8,104) |
| Cash and cash equivalents - beginning | 127,024 |
| Cash and cash equivalents (deficit) - end | \$ 118,920 |
| <u>Reconciliation of operating income to net cash provided (used) by operating activities:</u> | |
| Operating income | \$ (13,266) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | |
| Depreciation expense | 17,369 |
| (Increase) decrease in due from other funds | 5,871 |
| (Increase) decrease in accounts receivable | (3,656) |
| Increase (decrease) in accounts payable | (22,183) |
| Increase (decrease) in compensated absences | 6,089 |
| Total adjustments | 3,490 |
| Net cash provided (used) by operating activities | \$ (9,776) |

The notes to the financial statements are an integral part of this statement.

Rich County, Utah
Statement of Fiduciary Net Assets
Fiduciary Fund Types
For the Year Ended December 31, 2004

| | County Clerk <u>District Court</u> | Rich J.P. Precinct | Property Tax |
|---------------------------|--|-----------------------|-----------------|
| <u>Assets</u> | | | |
| Cash and cash equivalents | \$ 9,085 | 9,518 | 947,306 |
| Total assets | <u>9,085</u> | <u>9,518</u> | <u>947,306</u> |
| <u>Liabilities</u> | | | |
| Due to other governments | 9,069 | 4,531 | 748,329 |
| Due to other funds | <u>16</u> | <u>4,987</u> | <u>198,977</u> |
| Total liabilities | <u>\$ 9,085</u> | <u>9,518</u> | <u>947,306</u> |

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Rich County, Utah
Notes to Financial Statements
For the Year Ended December 31, 2004

Note 1 - Summary of Significant Accounting Policies

The Rich County financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the County are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Some of the significant changes in the Statements include the following:

For the first time the financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the County's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the County's activities, including infrastructure (roads, bridges, etc.).

A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The County has elected to implement the general provisions of the Statement in the current year and will prospectively report infrastructure assets as required. However, as allowed under the provisions of the Statement, the County, as a phase 3 entity, will not retroactively report infrastructure assets acquired prior to January 1, 2004.

Reporting Entity

The County is governed by an elected three member commission. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 1 - Summary of Significant Accounting Policies - Continued

Reporting entity - continued

Discretely presented component units

Bear Lake Special Service District (Enterprise Fund) - The District provides sewer collection services for homes and businesses within the geographical area. The District is considered a component-unit of the County because the County must authorize the issuance of new debt and thus the District has a fiscal dependency upon the County. The District was audited by an independent auditor and his report dated April 20, 2005, has been previously issued under separate cover.

Woodruff, Garden City, Lake Town and Randolph Fire Districts (Special Revenue Funds) - These districts provide fire protection services to the residents within each area. They also qualify as component units because of their fiscal dependency upon the County. The Districts do not issue separate financial statements.

Additional financial information on the individual component units, and/or separate financial statements, can be obtained from their respective administrative offices.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 1 - Summary of Significant Accounting Policies - Continued

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *general fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special revenue fund* is used to account for specific revenues that are legally restricted to expenditures for particular purposes. The County utilizes special revenue funds to account for the activities of the Class B Roads and Mosquito Abatement.

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 1 - Summary of Significant Accounting Policies - Continued

The County reports the following major proprietary funds:

The *sanitation fund* accounts for the operations of the County's sanitation system.

Additionally, the government reports the following fund types:

The *County Clerk/District Court Fund*, *Rich J.P. Precinct Fund*, and the *Property Tax Fund* are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, service, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 1 - Summary of Significant Accounting Policies - Continued

Assets, liabilities, and net assets or equity

1. Deposits and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the County, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

All trade, property, sales, and franchise tax receivables are shown net of an allowance for uncollectibles.

The County bills and collects property taxes for all taxing districts within the County through the tax collection trust fund. All property taxes collected in 2004 were apportioned and distributed to the taxing districts, including the December 31, 2004 balance which was distributed in early 2005.

Sales taxes are collected by the State Tax Commission and remitted to the County monthly.

3. Restricted cash and cash equivalents

Certain resources of the County's sanitation enterprise fund is set aside for the payment of landfill closure costs as required by applicable federal and state regulations.

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 1 - Summary of Significant Accounting Policies - Continued

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable government or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-----------------------|--------------|
| Buildings | 30 |
| Building improvements | 15 |
| System infrastructure | 30 |
| Equipment | 7 |
| Vehicles | 5 |

5. Compensated absences

The County accounts for compensated absences in accordance with NGGA Statement No. 4. In governmental funds, compensated absences are recorded as expenditures in the year paid, as it is the County's policy to liquidate any unpaid vacation available from expendable resources. The County's policy allows for a maximum of 22 days carry over into the next year. Sick leave can accumulate without limit. The County pays all unused vacation days upon separation. Sick leave is paid either in health insurance or cash at one half the accumulated leave days, up to 42 days, upon separation.

6. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 1 - Summary of Significant Accounting Policies - Continued

7. Fund equity/Net assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net assets of governmental activities as reported in the government-wide statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

When capital assets (property, plant, and equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the County as a whole.

| | |
|--------------------------|----------------------------|
| Cost of capital assets | \$ 3,741,592 |
| Accumulated depreciation | <u>(2,458,553)</u> |
| Total difference | <u><u>\$ 1,283,039</u></u> |

Long-term debt transactions:

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net assets. Balances at December 31, 2004 were:

| | |
|-----------------------|----------------------------|
| Capital lease payable | (242,661) |
| Interest payable | (3,809) |
| Compensated absences | <u>(41,610)</u> |
| Total difference | <u><u>\$ (288,080)</u></u> |

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 2 - Reconciliation of Government-wide and Fund Financial Statements - Continued

B. Explanation of differences between governmental fund operating statements and the statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follows:

| | |
|----------------------------|------------------|
| Capital outlay | \$ 275,027 |
| Depreciation expense | (209,559) |
| Net difference as reported | <u>\$ 65,468</u> |

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The details of this difference are as follows:

| | |
|----------------------------|---------------------|
| Debt issued or incurred | \$ (187,150) |
| Compensated absences | (41,610) |
| Principal repayments: | |
| Principal payments | 51,779 |
| Accrued interest | (3,809) |
| Net difference as reported | <u>\$ (180,790)</u> |

Budgetary information

Budgets are prepared and adopted, in accordance with State law, by the Rich County Commissioners. Annual appropriated budgets are adopted for the general and special revenue funds. Budgets must be adopted on or before December 15th for the following fiscal year, beginning January 1. Budgets may be increased by resolution of the Rich County Commissioners at any time during the year. A public hearing must be held regarding any proposed increase in a fund's appropriations. Budgets are adopted at sub-departmental levels. However, budget amendments are required only when excess expenditures occur at the departmental level. Appropriations lapse at December 31.

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 3 - Stewardship, Compliance, and Accountability

Utah State law states that expenditures being made in excess of those budgeted, is an illegally created debt in violation of the Utah Constitution. As such the total illegally created deficit should be budgeted to be made up in the following fiscal year. Deficits arising from emergencies are not illegal and may be retired over 5 years. The law also allows for the accumulation of a fund balance in the general fund in an amount equal to 50% of the total estimated revenue of the General Fund. In the event that the fund balance, at the end of the fiscal year, is in excess of that allowed, the County has one year, to determine an appropriate use and then the excess must be included as an available resource in the general fund budget.

Excess of expenditures over appropriations

For the year ended December 31, 2004, expenditures exceeded appropriations in the following departments:

| <u>General fund</u> | | <u>Special revenue</u> | |
|---------------------|-------|------------------------|------------|
| Public health | 2,000 | Class B roads | \$ 103,793 |

Note 4 - Detailed Notes on all Funds

Deposits and investments

Captions on the statement of net assets related to cash and investments are as follows:

| | |
|---------------------------|----------------------------|
| Cash and cash equivalents | \$ 1,228,530 |
| Restricted assets: | |
| Cash and cash equivalents | <u>25,000</u> |
| Total cash | <u><u>\$ 1,253,530</u></u> |

Deposits:

The County's deposits are categorized to give an indication of the level of risk assumed by the County at December 31, 2004. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the County or by its agent in the County's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Category 3 - Uncollateralized.

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 4 - Detailed Notes on all Funds - Continued

Deposits, categorized by level of risk, are:

| | Bank Balance | Category | | | Carrying Amount |
|---------------------------|---------------------|----------------|----------|------------------|--------------------|
| | | 1 | 2 | 3 | |
| Cash (checking & savings) | \$ 1,584,524 | 467,961 | - | 1,116,563 | 1,253,530 |
| | <u>\$ 1,584,524</u> | <u>467,961</u> | <u>-</u> | <u>1,116,563</u> | <u>1,253,530</u> |

Investments:

Statutes authorize the County to invest in obligations of the U.S. Treasury, bankers acceptances, repurchase agreements, commercial paper, and the State Treasurer's Investment Fund. The County's investments at year end was made up entirely of equity in the Utah Public Treasurers' Investment Fund which is stated at fair value of \$1,366,157.

The Utah Public Treasurers' Investment Fund (UPTIF) is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested primarily in money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds.

Investments in the UPTIF are supported by deposit receipts issued by the State Treasurer's office and the fair value of the County's shares in the UPTIF is equal to the fair value of the County's Investment in the UPTIF. The UPTIF is regulated by the State of Utah and complies with the Money Management Act and rules of the Money Management Council.

Receivables

Receivables as of year end for the government's general and enterprise funds are as follows:

| | Governmental | Business- type | Total |
|-----------------------------|-------------------|-------------------|----------------|
| Accounts | \$ 1,409 | 106,239 | 107,648 |
| Sales tax | 52,164 | - | 52,164 |
| Grants | 35,141 | - | 35,141 |
| B & C road revenue | 93,477 | - | 93,477 |
| Rich county school district | 11,096 | - | 11,096 |
| Forest service | 11,096 | - | 11,096 |
| | <u>\$ 204,383</u> | <u>106,239</u> | <u>310,622</u> |

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 4 - Detailed Notes on all Funds - Continued

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. As of December 31, 2004, the County has no such revenue.

Capital assets

Capital asset activity for the year ended December 31, 2004 was as follows:

| Primary Government | Beginning | | | Ending |
|--|--------------|-----------|-----------|-----------|
| Governmental activities: | Balance | Increases | Decreases | Balance |
| Capital assets not being depreciated: | | | | |
| Land | \$ 16,750 | - | - | 16,750 |
| Total capital assets not being depreciated | 16,750 | - | - | 16,750 |
| Capital assets being depreciated: | | | | |
| Buildings | 1,336,324 | 7,390 | - | 1,343,714 |
| Improvements | 135,397 | 7,255 | - | 142,652 |
| Machinery and equipment | 2,219,200 | 260,382 | 241,106 | 2,238,476 |
| Total capital assets being depreciated | 3,690,921 | 275,027 | 241,106 | 3,724,842 |
| Less accumulated depreciation for: | | | | |
| Buildings | 702,755 | 43,323 | - | 746,078 |
| Improvements | 70,067 | 7,259 | - | 77,326 |
| Machinery and equipment | 1,717,278 | 158,977 | 241,106 | 1,635,149 |
| Total accumulated depreciation | 2,490,100 | 209,559 | 241,106 | 2,458,553 |
| Total capital assets, being depreciated, net | 1,200,821 | 65,468 | - | 1,266,289 |
| Governmental activities capital assets, net | \$ 1,217,571 | 65,468 | - | 1,283,039 |

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 4 - Detailed Notes on all Funds - Continued

| | Beginning | | | Ending |
|--|------------|-----------|-----------|---------|
| | Balance | Increases | Decreases | Balance |
| Business-type activities: | | | | |
| Capital assets being depreciated: | | | | |
| Machinery and equipment | \$ 380,072 | - | - | 380,072 |
| Total capital assets being depreciated | 380,072 | - | - | 380,072 |
| Less accumulated depreciation for: | | | | |
| Machinery and equipment | 237,054 | 17,369 | - | 254,423 |
| Total accumulated depreciation | 237,054 | 17,369 | - | 254,423 |
| Total capital assets, being depreciated, net | 143,018 | (17,369) | - | 125,649 |
| Business-type activities capital assets, net | \$ 143,018 | (17,369) | - | 125,649 |

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

| | |
|--|-----------|
| General government | \$ 66,589 |
| Public safety | 62,745 |
| Highways and streets | 77,927 |
| Parks and recreation | 2,298 |
| Total depreciation expense - governmental activities | 209,559 |

Business-type activities:

| | |
|---|--------|
| Sanitation fund | 17,369 |
| Total depreciation expense - business-type activities | 17,369 |

| | |
|----------------------------|------------|
| Total depreciation expense | \$ 226,928 |
|----------------------------|------------|

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 4 - Detailed Notes on all Funds - Continued

Component unit - Bear Lake Special Service District

Activity for the District for the year ended December 31, 2004, was as follows:

| Component Units | Beginning | | | Ending |
|--|--------------|-----------|-----------|-----------|
| Buisness-type activities: | Balance | Increases | Decreases | Balance |
| Capital assets not being depreciated: | | | | |
| Land | \$ 159,110 | - | - | 159,110 |
| Total capital assets not being depreciated | 159,110 | - | - | 159,110 |
| Capital assets being depreciated: | | | | |
| Buildings | 137,079 | - | - | 137,079 |
| Sewer facility | 5,364,407 | 596,558 | - | 5,960,965 |
| Machinery and equipment | 198,744 | 23,119 | - | 221,863 |
| Total capital assets being depreciated | 5,700,230 | 619,677 | - | 6,319,907 |
| Less accumulated depreciation for: | | | | |
| Buildings | 78,678 | 4,718 | - | 83,396 |
| Sewer facility | 2,217,466 | 188,271 | - | 2,405,737 |
| Machinery and equipment | 154,059 | 9,239 | - | 163,298 |
| Total accumulated depreciation | 2,450,203 | 202,228 | - | 2,652,431 |
| Total capital assets, being depreciated, net | 3,250,027 | 417,449 | - | 3,667,476 |
| Governmental activities capital assets, net | \$ 3,409,137 | 417,449 | - | 3,826,586 |

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 4 - Detailed Notes on all Funds - Continued

Interfund receivables, payables, and transfers

Individual interfund receivable and payable balances at December 31, 2004 are as follows:

| <u>Fund</u> | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> |
|--------------------|---------------------------------|-------------------------------|
| General Fund | \$ 244,433 | 24,057 |
| Mosquito Abatement | 24,057 | - |
| Council of Aging | - | 23,238 |
| Class B Roads | - | 16,475 |
| | <u>\$ 268,490</u> | <u>63,770</u> |

Interfund receivables and payables are created when expenditures are paid by one fund on behalf of another. In addition, allocations of expenditures between funds are recorded as due to/from until paid. The County had no transfers during the year ending December 31, 2004.

Leases

expiring December 31, 2005. The future minimum lease payments for this lease are as follows:

| | |
|-------------------------|-----------------|
| Year ending December 31 | |
| 2005 | <u>\$ 5,316</u> |

Capital leases - The County has entered into a lease agreement as lessee for financing the acquisition of a sander for the road department. The County also has financed the acquisition of a grader for the road department. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

| | |
|---------|------------------------------------|
| Assets: | <u>Governmental Activities</u> |
| Sander | \$ 137,329 |
| Grader | 187,150 |
| Total | <u>\$ 324,479</u> |

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 4 - Detailed Notes on all Funds - Continued

The future minimum lease obligations as of December 31, 2004, were as follows:

| Year ending December 31 | |
|---|--------------------------|
| 2005 | \$ 56,811 |
| 2006 | 56,811 |
| 2007 | 56,811 |
| 2008 | 26,772 |
| 2009 | <u>81,840</u> |
| Total minimum lease payments | 279,045 |
| Less: amount representing interest | <u>(36,385)</u> |
| Present value of minimum lease payments | <u><u>\$ 242,660</u></u> |

Long-term debt

Component unit - Bear Lake Special Service District

Notes Payable

The District obtained approval for a loan of \$2,230,000 from the Utah Water Quality Board on September 24, 2001 for construction of wastewater system improvements that will extend services to the east side of Bear Lake. The loan is to be paid back over 25 years beginning February 1, 2005, at zero percent interest. The District has received \$1,859,395 of the total loan amount as of December 31, 2004. Annual installments for the note payable are \$89,200. A second loan from the State of Utah, Department of Community and Economic Development of \$250,000 began on July 1, 1987. Annual installments for the note payable are \$15,348.

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Amount</u> |
|----------------|-----------------------|----------------------------|
| UWQD note | 0.00% | \$ 1,859,395 |
| DCED note | 4.50% | <u>139,926</u> |
| | | <u><u>\$ 1,999,321</u></u> |

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 4 - Detailed Notes on all Funds - Continued

Annual debt service requirements to maturity for notes payable are as follows:

| <u>For the year ending December 31</u> | <u>Principal</u> | <u>Interest</u> |
|--|---------------------|-----------------|
| 2005 | \$ 98,251 | 6,297 |
| 2006 | 98,659 | 5,889 |
| 2007 | 99,084 | 5,464 |
| 2008 | 99,515 | 5,032 |
| 2009 | 99,993 | 4,555 |
| 2010-2014 | 536,423 | 17,000 |
| 2015-2019 | 446,000 | - |
| 2020-2024 | 446,000 | - |
| 2025-2029 | 75,396 | - |
| Total | <u>\$ 1,999,321</u> | <u>44,237</u> |

General obligation bond

The Bear Lake Special Service District issued Series 1986 General Obligation Sewer Bonds on December 15, 1986. These bonds were paid off in 1993 when the Service District rebounded. Obligations of the 1993 bonds are shown below. Accrued interest payable on these bonds at December 31, 2004 was \$1,969.

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Amount</u> |
|-------------------------|-----------------------|------------------|
| General obligation bond | 5.5%-5.6% | \$ 95,000 |
| | | <u>\$ 95,000</u> |

General obligation bond requirements to maturity are as follows:

| <u>For the year ending December 31</u> | <u>Principal</u> | <u>Interest</u> |
|--|------------------|-----------------|
| 2005 | \$ 70,000 | 3,325 |
| 2006 | 25,000 | 700 |
| Total | <u>\$ 95,000</u> | <u>4,025</u> |

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 4 - Detailed Notes on all Funds - Continued

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2004 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|-------------------------------|----------------------|-----------|------------|-------------------|------------------------|
| Governmental activities | | | | | |
| Notes payable: | | | | | |
| Sander | \$ 107,290 | - | (25,008) | 82,282 | 26,181 |
| Grader | - | 187,150 | (26,772) | 160,378 | 19,153 |
| Total notes payable | \$ 107,290 | 187,150 | (51,780) | 242,660 | 45,334 |
| Component units | | | | | |
| Bonds payable: | | | | | |
| General obligation | 160,000 | - | (65,000) | 95,000 | 70,000 |
| Notes payable: | | | | | |
| UWQB note | 1,780,300 | 79,095 | - | 1,859,395 | 89,200 |
| DCED note | 148,587 | - | (8,661) | 139,926 | 9,051 |
| Total bonds and notes payable | \$ 2,088,887 | 79,095 | (73,661) | 2,094,321 | 168,251 |

Note 5 - Other Information

Retirement plans

Plan description:

Rich County, Utah, contributes to the Contributory System: Local Governmental Division and Public Safety System, Other Division A Contributory, for employers which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (the Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 5 - Other Information - Continued

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (the Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, and Public Safety Retirement System for employers with (without) Social Security coverage. A copy of the report may be obtained by writing the Utah Retirement Systems, 540 East 200 S, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding policy:

Plan members in the Contributory System: Local Governmental Division are not required to contribute any of their annual covered salary and Rich County, Utah, was required to contribute 6.0% of their annual salary. In the Public Safety System: Other Division A Contributory, members were required to contribute .59% of their salary and Rich County, Utah, was required to contribute 11.7% of their annual salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Rich County, Utah contributions to the Contributory System: Local Governmental Division for the years ending December 31, 2004, 2003 and 2002 were \$53,610, \$43,722 and \$40,008 respectively, and for the Public Safety System: Other Division A Contributory the contributions for December 31, 2004, 2003, and 2002 were \$41,475, \$32,680 and \$ 27,944 respectively. The contributions were equal to the required contributions for each year.

Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

Rich County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2004

Note 5 - Other information - Continued

Landfill closure and post closure care cost

The County is required by federal and state regulations to properly close the landfill when it has reached capacity. The liability for landfill closure and postclosure care costs is based on landfill capacity and is recognized each year as the capacity is used. Total closure and postclosure costs are estimated to be \$30,000. The capacity of the landfill used to date is estimated to be 6% with a remaining life of 38 years. The County accrued \$5,000 of the \$30,000 of costs during fiscal year ending December 31, 2000. The County desires to set aside \$5,000 per year until the full \$30,000 has been accumulated. Based on GASB Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs, the total accrual as of December 31, 2004, should be approximately \$2,000; therefore, no additional liability has been recorded for 2004. The \$5,000 for fiscal year ending December 31, 2004, has been shown as an additional designation of retained earnings in the Enterprise Fund, for a total of \$20,000 through December 31, 2004.

SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes.

Fair Board Fund - This fund is used to account for activities related to the county fair including the rodeo, demolition derby, parade, and various competitions.

Council of Aging Fund - This fund is used to account for activities related to the senior citizens center including transportation and meals.

Rich County, Utah
Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended December 31, 2004

| | Special Revenue | | |
|---|-----------------|---------------------|---------------|
| | Fair Board | Council of Aging | Total |
| <u>Assets</u> | | | |
| Cash and cash equivalents | \$ 1,034 | 43,004 | 44,038 |
| Total assets | <u>1,034</u> | <u>43,004</u> | <u>44,038</u> |
| <u>Liabilities and Fund Balances</u> | | | |
| Liabilities: | | | |
| Due to other funds | - | 23,238 | 23,238 |
| Total liabilities | <u>-</u> | <u>23,238</u> | <u>23,238</u> |
| Fund Balances: | | | |
| Unreserved, reported in: | | | |
| Special Revenue Fund | <u>1,034</u> | <u>19,766</u> | <u>20,800</u> |
| Total fund balances | <u>1,034</u> | <u>19,766</u> | <u>20,800</u> |
| Total liabilities and fund balances | <u>\$ 1,034</u> | <u>43,004</u> | <u>44,038</u> |

Rich County, Utah
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2004

| | Special Revenue | | |
|--|-----------------|---------------------|---------|
| | Fair Board | Council of Aging | Total |
| <u>Revenues</u> | | | |
| Intergovernmental | \$ - | 50,068 | 50,068 |
| Charges for services | 19,467 | 788 | 20,255 |
| Donations | 1,350 | 11,250 | 12,600 |
| Interest | - | 51 | 51 |
| Total revenues | 20,817 | 62,157 | 82,974 |
| <u>Expenditures</u> | | | |
| Fair expenses | 21,273 | - | 21,273 |
| Senior citizen programs | - | 70,134 | 70,134 |
| Total governmental activities | 21,273 | 70,134 | 91,407 |
| Excess revenues over (under) expenditures | (456) | (7,977) | (8,433) |
| Fund balances - beginning of year | 1,490 | 27,743 | 29,233 |
| Fund balances - end of year | \$ 1,034 | 19,766 | 20,800 |

NONMAJOR COMPONENT UNITS

Rich County, Utah
Combining Balance Sheet
Nonmajor Component Units
For the Year Ended December 31, 2004

| | Woodruff Fire District | Garden City Fire District | Lake Town Fire District | Randolph Fire District | Nonmajor Component Unit Total |
|---|------------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------------------|
| <u>Assets</u> | | | | | |
| Cash and cash equivalents | \$ 12,067 | 82,130 | 10,529 | 11,162 | 115,888 |
| Capital assets (net of accumulated depreciation): | | | | | - |
| Buildings | - | 31,500 | 44,107 | 5,500 | 81,107 |
| Improvements | - | - | - | - | - |
| Machinery and equipment | 63,501 | 63,429 | 12,351 | 68,300 | 207,581 |
| Total assets | <u>75,568</u> | <u>177,059</u> | <u>66,987</u> | <u>84,962</u> | <u>404,576</u> |
| <u>Liabilities</u> | | | | | |
| Accounts payable and accrued liabilities | - | - | - | 6,989 | 6,989 |
| Other current liabilities | - | 18,381 | - | 3,658 | 22,039 |
| Long term liabilities | - | 36,766 | - | 17,127 | 53,893 |
| Total liabilities | <u>-</u> | <u>55,147</u> | <u>-</u> | <u>27,774</u> | <u>82,921</u> |
| <u>Net Assets</u> | | | | | |
| Invested in capital assets, net of related debt | 63,501 | 94,929 | 56,458 | 53,015 | 267,903 |
| Unrestricted | 12,067 | 26,983 | 10,529 | 4,173 | 53,752 |
| Total net assets | <u>\$ 75,568</u> | <u>121,912</u> | <u>66,987</u> | <u>57,188</u> | <u>321,655</u> |

Rich County, Utah
Combining Balance Sheet
Nonmajor Component Units
For the Year Ended December 31, 2004

| | Woodruff Fire District | Garden City Fire District | Lake Town Fire District | Randolph Fire District | Nonmajor Component Unit Total |
|--|------------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------------------|
| <u>Revenues</u> | | | | | |
| Taxes | \$ 19,945 | 56,488 | 12,513 | 14,859 | 103,805 |
| Fee in lieu of taxes | - | - | - | 3,284 | 3,284 |
| Intergovernmental and grants | 37,120 | 44,852 | - | 53,145 | 135,117 |
| Charges for services | 6,158 | 3,228 | - | - | 9,386 |
| Miscellaneous revenue | 90 | - | 2,901 | 12,116 | 15,107 |
| Interest | 31 | 845 | 34 | - | 910 |
| Total revenues | <u>63,344</u> | <u>105,413</u> | <u>15,448</u> | <u>83,404</u> | <u>267,609</u> |
| <u>Expenditures</u> | | | | | |
| Public safety | <u>29,212</u> | <u>115,400</u> | <u>12,708</u> | <u>31,557</u> | <u>188,877</u> |
| Total expenditures | <u>29,212</u> | <u>115,400</u> | <u>12,708</u> | <u>31,557</u> | <u>188,877</u> |
| Excess revenues over (under) expenditures | 34,132 | (9,987) | 2,740 | 51,847 | 78,732 |
| Net assets - beginning of year | <u>41,436</u> | <u>131,899</u> | <u>64,247</u> | <u>5,341</u> | <u>242,923</u> |
| Net assets - end of year | <u>\$ 75,568</u> | <u>121,912</u> | <u>66,987</u> | <u>57,188</u> | <u>321,655</u> |

Rich County, Utah
Schedule of Receipts and Disbursements - Treasurer's Collection Account
For the Year Ended December 31, 2004

| | Treasurer's Balance December 31, 2003 | Collection Receipts | Amounts Apportioned | Distributions | Treasurer's Balance December 31, 2004 |
|----------------------------------|--|------------------------|------------------------|------------------|--|
| Tax Collection Accounts | | | | | |
| Current Year Taxes & Assessments | | \$ 2,619,764 | 2,619,764 | | |
| Fee in Lieu | | 220,387 | 220,387 | | |
| Redemptions of prior year tax | | 144,800 | 144,800 | | |
| Penalties, interest, and cost | | 23,222 | 23,222 | | |
| Other collections and refunds | | 21,043 | 21,043 | | |
| Total Collections | | 3,029,216 | 3,029,216 | | |
| County General Fund | 182,865 | | 519,630 | 543,305 | 159,190 |
| School District | 415,155 | | 1,434,620 | 1,400,373 | 449,402 |
| A/C State | 22,157 | | 61,170 | 64,279 | 19,048 |
| A/C County | 18,742 | | 52,427 | 54,870 | 16,299 |
| Cities and Towns | | | | | |
| Woodruff Town | 1,858 | | 6,822 | 7,338 | 1,342 |
| Randolph Town | 4,346 | | 18,894 | 18,902 | 4,338 |
| Laketown Town | 1,917 | | 10,047 | 9,780 | 2,184 |
| Garden City Town | 15,107 | | 47,535 | 47,821 | 14,821 |
| Basic School Levy | 223,398 | | 606,389 | 639,394 | 190,393 |
| Other Districts | | | | | |
| Woodruff Cemetery | 5,254 | | 10,284 | 11,058 | 4,480 |
| Randolph Cemetery | 6,189 | | 14,051 | 16,490 | 3,750 |
| Laketown Cemetery | 2,435 | | 7,920 | 7,986 | 2,369 |
| Garden City Cemetery | 7,619 | | 22,504 | 23,329 | 6,794 |
| Woodruff Fire | 9,561 | | 18,519 | 19,969 | 8,111 |
| Randolph Fire | 8,070 | | 18,310 | 21,493 | 4,887 |
| Laketown Fire | 4,286 | | 14,028 | 14,116 | 4,198 |
| Garden City Fire | 13,072 | | 38,607 | 40,022 | 11,657 |
| Total Due to Taxing Units | 942,031 | | 2,901,757 | 2,940,525 | 903,264 |
| Other | | | | | |
| Bear Lake SSD | 1,104 | | 3,184 | 4,015 | 273 |
| Sanitation | 5,886 | | 15,050 | 15,191 | 5,745 |
| Garden City RDA | 23,666 | | 108,643 | 101,493 | 30,816 |
| Eagle Springs SSD | 1 | | 83 | 84 | 0 |
| Mountain Meadow | 563 | | 499 | 1,062 | 0 |
| Total | 973,251 | | 3,029,216 | 3,062,370 | 940,098 |
| Overpayments | 4,255 | | 403 | | 4,658 |
| Carryover | 2,518 | | 32 | | 2,550 |
| Grand Total | \$ 980,025 | | 3,029,651 | 3,062,370 | 947,306 |

Rich County, Utah

Statement of Taxes Charged, Collected, and Distributed

For the 2004 Property Tax Year

| Taxing Units | Tax Valuation in Dollars | Tax Percent | Total Taxes Levied | Treasurer's Relief | | | Net Taxes Collected and Apportioned Amount | Percent | Other Collections | | |
|---------------------------------------|--------------------------|-------------|--------------------|--------------------|------------|-------|--|---------|-------------------|-------------------|-------------------|
| | | | | Unpaid Taxes | Abatements | Other | | | Fee in Lieu | Misc. Collections | Delinquencies Tax |
| County Funds | | | | | | | | | | | |
| General | 313,602,346 | 0.00149 | \$ 466,890 | 27,788 | 619 | 210 | 438,273 | 93.87% | 36,753 | 4,984 | 26,185 |
| Assessing & collecting | 313,602,346 | 0.00015 | 48,287 | 2,873 | 64 | 22 | 45,328 | 93.87% | 3,799 | 515 | 2,683 |
| Total County | | | 515,177 | 30,661 | 683 | 232 | 483,601 | | 40,552 | 5,499 | 28,868 |
| School District | 313,602,346 | 0.00606 | 1,892,427 | 106,670 | 2,519 | 855 | 1,782,383 | 94.19% | 149,008 | 18,316 | 89,916 |
| State Assessing & Collecting | 313,602,346 | 0.00018 | 56,456 | 3,375 | 75 | 25 | 52,981 | 93.84% | 4,440 | 610 | 3,039 |
| Cities and Towns | | | | | | | | | | | |
| Woodruff Town | 3,199,905 | 0.00145 | 4,647 | 150 | 63 | 2 | 4,432 | 95.37% | 2,208 | 59 | 139 |
| Randolph Town | 8,708,926 | 0.00155 | 13,539 | 229 | 60 | 7 | 13,243 | 97.81% | 4,915 | 121 | 569 |
| Laketown Town | 6,806,578 | 0.00105 | 7,149 | 532 | 17 | 2 | 6,598 | 92.29% | 3,116 | 87 | 183 |
| Garden City Town | 121,614,497 | 0.00037 | 44,519 | 3,456 | 68 | 4 | 40,991 | 92.08% | 2,587 | 353 | 3,420 |
| Total Towns | | | 69,854 | 4,367 | 208 | 15 | 65,264 | | 12,826 | 620 | 4,311 |
| Other Districts | | | | | | | | | | | |
| Woodruff Cemetery | 28,347,472 | 0.00032 | 9,015 | 35 | 14 | 19 | 8,947 | 99.25% | 1,015 | 143 | 186 |
| Randolph Cemetery | 27,860,876 | 0.00041 | 11,318 | 73 | 20 | 14 | 11,211 | 99.05% | 2,520 | 125 | 178 |
| Laketown Cemetery | 47,380,268 | 0.00015 | 7,059 | 340 | 14 | 3 | 6,702 | 94.94% | 744 | 83 | 362 |
| Garden City Cemetery | 210,013,731 | 0.00010 | 21,421 | 1,646 | 23 | 3 | 19,749 | 92.19% | 1,047 | 207 | 1,454 |
| Woodruff Fire | 28,347,472 | 0.00058 | 16,330 | 65 | 25 | 34 | 16,206 | 99.24% | 1,837 | 259 | 253 |
| Randolph Fire | 27,860,876 | 0.00053 | 14,746 | 94 | 26 | 18 | 14,608 | 99.06% | 3,284 | 163 | 233 |
| Laketown Fire | 47,380,268 | 0.00026 | 12,506 | 602 | 25 | 5 | 11,874 | 94.95% | 1,319 | 147 | 637 |
| Garden City Fire | 210,013,731 | 0.00018 | 36,752 | 2,824 | 40 | 5 | 33,883 | 92.19% | 1,796 | 355 | 2,493 |
| Total Other Districts | | | 129,147 | 5,679 | 187 | 101 | 123,180 | | 13,562 | 1,482 | 5,796 |
| Other Collections | | | | | | | | | | | |
| Bear Lake Special Service District | N/A | N/A | N/A | - | - | - | - | - | - | - | - |
| Eagle Spring Special Service District | N/A | N/A | N/A | - | - | - | - | - | - | - | - |
| Garden City Redevelopment Agency | N/A | N/A | N/A | - | - | - | - | - | - | - | - |
| County Sanitation | N/A | N/A | N/A | - | - | - | - | - | - | - | - |
| Mountain Meadow | N/A | N/A | N/A | - | - | - | - | - | - | - | - |
| Total Other Collections | | | | - | - | - | - | - | - | - | - |
| GRAND TOTAL | | | \$ 2,663,061 | 150,752 | 3,672 | 1,228 | 2,507,409 | | 220,388 | 26,527 | 131,930 |
| | | | | | | | | | | | 20,068 |

OTHER REPORTS

Ulrich & Associates, PC

Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Board of County Commissioners
Rich County, Utah

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rich County, Utah as of and for the year ended December 31, 2004, which collectively comprise the Rich County, Utah's basic financial statements and have issued our report thereon dated May 11, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rich County, Utah's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rich County, Utah's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Members of Utah Association of CPAs | American Institute of CPAs

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email| ulrich@ulrichcpa.com

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Rich County in a separate letter dated May 11, 2005.

This report is intended solely for the information and use of the County Commissioners, management, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Ulrich & Associates, P.C.

May 11, 2005

Ulrich & Associates, PC

Certified Public Accountants

STATE LEGAL COMPLIANCE REPORT

The Honorable Board of County Commissioners
Rich County, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rich County, Utah, for the year ended December 31, 2004, and have issued our report thereon dated May 11, 2005. As part of our audit, we have audited Rich County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2004. The County received the following major assistance programs from the State of Utah:

Class "C" Road Allotment
Liquor Law Enforcement

The County also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to test work as part of the audit of Rich County's financial statements).

Mineral Lease Distribution to Special Service Districts (DOT)
Automated Geographic Reference Center Grant (RS2477)

Our audit also included test work on the County's compliance with the following general compliance requirements identified in the State of Utah Legal Compliance Audit Guide:

Public Debt
Cash Management
Purchasing Requirements
Budgetary Compliance
Truth in Taxation & Property Tax Limitation
Liquor Law Enforcement
Justice Court Compliance
B & C Road Funds
Other Compliance Requirements
Department of Commerce
Statement of Taxes Charged, Collected and Disbursed
Assessing and Collecting of Property Taxes
Transient Room Tax
Asset Forfeitures

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The management of Rich County, is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Rich County, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed, eligibility, matching, level of effort or earmarking, reporting, and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2004.

Ulrich & Associates, P.C.

May 11, 2005

Rich County, Utah
State Legal Compliance - Schedule of Findings
For the Year Ended December 31, 2004

1 BUDGETARY COMPLIANCE

Finding - Expenditures in excess of approved budget amounts were noted in the Class B Roads Special Revenue Fund and in the Public Health Department of the General Fund.

Recommendation - Program directors should carefully review expenditures against the budget so that amendments can be made when appropriate.

Management Response - Management will work with program directors and the auditors to develop the proper understanding of the budget process in order to address this problem. We anticipate this will involve training and review of the budget process.

2 CASH MANAGEMENT

Finding - There was one instance of funds not being deposited within 3 business days.

Recommendation - Program directors should reiterate the importance of depositing funds in a timely manner to the responsible county employees.

Management Response - Management will work with program directors to continue their efforts to more closely monitor the depositing of funds.

3 TRUTH IN TAXATION AND PROPERTY TAX LIMITATIONS

Finding - The Countys' budget amount for property tax revenues does not equal the amount reported on the TC-693.

Recommendation - Management should carefully review the reported property tax revenues when creating and amending the budget.

Management Response - Management will review the TC-693 when creating and amending the budget.